

*Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.*



# 国银租赁

CHINA DEVELOPMENT BANK LEASING

國銀金融租賃股份有限公司\*

**CHINA DEVELOPMENT BANK FINANCIAL LEASING CO., LTD.\***

*(A joint stock limited company incorporated in the People's Republic of China)*

**(Stock Code: 1606)**

## **DISCLOSEABLE TRANSACTION FACTORING AGREEMENT**

### **FACTORING AGREEMENT**

The Board hereby announces that on 24 August 2021 (after trading hours), the Company entered into Factoring Agreement with the Factoring Bank, pursuant to which the Company has agreed to transfer the creditor's rights and relevant rights of the undue Lease Receivables under the Finance Lease Agreement to the Factoring Bank, and the Factoring Bank has agreed to receive such creditor's rights and relevant rights of the Lease Receivables and to provide the Company with factoring facilities of RMB730,000,000 and non-recourse factoring services.

### **LISTING RULES IMPLICATIONS**

Pursuant to Chapter 14 of the Listing Rules, as the highest applicable percentage ratio of the transaction under Factoring Agreement is higher than 5% but lower than 25%, the transaction under Factoring Agreement constitutes a discloseable transaction of the Company and is subject to the relevant announcement requirement under Chapter 14 of the Listing Rules, but is exempt from the shareholders' approval requirement.

\* *CHINA DEVELOPMENT BANK FINANCIAL LEASING CO., LTD. is (a) not an authorized institution within the meaning of the Banking Ordinance; (b) not authorized to carry on banking/deposit-taking business in Hong Kong; and (c) not subject to the supervision of the Hong Kong Monetary Authority.*

## **FACTORING AGREEMENT**

The Board hereby announces that on 24 August 2021 (after trading hours), the Company entered into Factoring Agreement with the Factoring Bank, pursuant to which the Company has agreed to transfer the creditor's rights and relevant rights of the undue Lease Receivables under the Finance Lease Agreement to the Factoring Bank, and the Factoring Bank has agreed to receive such creditor's rights and relevant rights of the Lease Receivables and to provide the Company with factoring facilities of RMB730,000,000 and non-recourse factoring services.

The principal terms of the Factoring Agreement are summarized as follows:

### **Date**

24 August 2021

### **Parties**

- (1) The Company;
- (2) The Factoring Bank

After making all reasonable enquiries, to the best of the Directors' knowledge, information and belief, the Factoring Bank, the Lessee and their ultimate beneficial owners are all independent third parties of the Company and its connected persons.

### **Factoring Facilities**

The Factoring Bank has agreed to provide factoring services for the Lease Receivables with an aggregate lease factoring principal of RMB730,000,000 to the Company in accordance with the terms and conditions of the Factoring Agreement. The amount of the factoring facilities is consistent with the principal of the Lease Receivables. The sum of such factoring facilities is expected to be payable in August 2021. The maximum net gain expected to be realized by the Company upon the completion of transaction under the Factoring Agreement is approximately RMB20,670,000, which will be utilized to replenish the working capital of the Company and repay the bank debts.

### **Factoring Period**

The factoring period under the Factoring Agreement is from the payment date of factoring facilities to 10 October 2027.

### **Type of Factoring**

No recourse right is attached. If the Lessee under the Finance Lease Agreement fails to fully pay the Lease Receivables within the agreed timeframe due to credit issues, the Factoring Bank has no recourse for a claim against the Company in respect of the outstanding payment.

## **Subject of the Transaction**

Pursuant to the Factoring Agreement, the Company has agreed to transfer the creditor's rights and relevant rights of the undue Lease Receivables under the Finance Lease Agreement to the Factoring Bank, with the total transfer principal of Lease Receivables of RMB730,000,000. The Factoring Bank has agreed to receive such creditor's rights and relevant rights of the Lease Receivables and provide lease factoring services to the Company. The Company does not separately calculate the profits before and after tax of such Lease Receivables.

## **Factoring Interest and Factoring Fees**

The interest rate applicable to the Factoring Agreement is 3.9%, which is calculated by using the over five-year LPR published by the People's Bank of China on 20 July 2021 as the pricing benchmark and then minuses 0.75%.

Lease factoring interest = lease factoring balance × lease factoring interest rate × actual occupancy days/360, and the amount will be paid by the Company to the Factoring Bank upon receipt of the rent paid by the Lessee on each rent payment date.

The factoring rate applicable to the Factoring Agreement is 0.5%, which is paid semi-annually in accordance with the payment plan.

Factoring fees = lease factoring balance × factoring rate × actual occupancy days/360.

## **Recovery of the Lease Receivables**

The Company, being the agent of the Factoring Bank, shall be responsible for procuring Lessee to make payment of the Lease Receivables on time in accordance with the stipulations in the Finance Lease Agreement and procuring the Lessee to deposit the Lease Receivables on time to the specific escrow bank account of the Company for rent payment opened with the Factoring Bank according to the requirements of the Factoring Bank. However, the Company will not take the credit risk arising from the Lessee's failure to pay the Lease Receivables on time.

## **REASONS FOR AND BENEFITS OF ENTERING INTO THE FACTORING AGREEMENT**

The Factoring Agreement is entered into by the Company in the ordinary and usual course of business, and is conducive to giving full play to the advantages of all parties. The proceeds can be expected, the risk is controllable, and it is beneficial for the Company to activate its credit assets, accelerate the circulation of its assets, widen its finance channels, and enhance its development strengths.

The terms of the Factoring Agreement (including factoring facilities, factoring fees and interest) were reached between all parties after arm's length negotiation, with reference to prevailing commercial practice and the financial position of the counterparties.

The Directors consider that the terms of the Factoring Agreement are on normal commercial terms and are fair and reasonable and in the interests of the Company and the shareholders as a whole.

## **INFORMATION ABOUT THE PARTIES**

### **Information about the Company**

The Company is a company established in the PRC in 1984 and converted into a joint stock limited company on 28 September 2015. The principal business of the Company includes providing comprehensive leasing services to high-quality customers in industries including aviation, infrastructure, shipping, inclusive finance, new energy and high-end equipment manufacturing.

### **Information about the Factoring Bank**

The Factoring Bank is a large state-owned bank incorporated in the PRC in 2007. Its principal business is the provision of banking and related financial services.

## **LISTING RULES IMPLICATIONS**

Pursuant to Rule 14.22 of the Listing Rules, as the highest applicable percentage ratio of the transaction under Factoring Agreement is higher than 5% but lower than 25%, the transaction under Factoring Agreement constitutes a discloseable transaction of the Company and is subject to the relevant announcement requirement under Chapter 14 of the Listing Rules, but is exempt from the shareholders' approval requirement.

## **DEFINITIONS**

In this announcement, the following expressions have the meanings set out below unless the context requires otherwise:

“Board”	the board of directors of the Company
“Company”	China Development Bank Financial Leasing Co., Ltd. (國銀金融租賃股份有限公司), a company established in the PRC in 1984 and converted into a joint stock limited company on 28 September 2015, the H shares of which are listed on the Stock Exchange with stock code of 1606
“Director(s)”	the director(s) of the Company
“Factoring Agreement”	the factoring agreement entered into between the Company and the Factoring Bank on 24 August 2021 regarding the transfer of the creditor's rights and relevant rights of the Lease Receivables under the Finance Lease Agreement

“Factoring Bank”	Postal Savings Bank of China Co., Ltd., the H shares of which are listed on the Stock Exchange with stock code of 1658, and the A shares of which are listed on the Shanghai Stock Exchange with stock code of 601658
“Finance Lease Agreement”	the finance lease agreement entered into between the Company and the Lessee in October 2019 in respect of the assets of a port, the total lease principal of which is RMB1,000,000,000
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Lease Receivables”	the remaining lease rent under the Finance Lease Agreement
“Lessee”	Rizhao Port Co., Ltd., a state-owned enterprise incorporated in the PRC on 15 July 2002 and located in Shandong Province, the PRC, which is principally engaged in the business of port loading and unloading, storage and transit services of bulk cargo, and whose A shares are listed on the Shanghai Stock Exchange with stock code of 600017
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“RMB”	Renminbi, the lawful currency of the PRC
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“%”	per cent

By order of the Board  
**CHINA DEVELOPMENT BANK FINANCIAL LEASING CO., LTD.**  
**LIU Yi**  
*Joint Company Secretary*

Shenzhen, the PRC  
24 August 2021

*As at the date of this announcement, the executive directors of the Company are Mr. PENG Zhong and Mr. HUANG Min; the non-executive directors are Mr. LI Yingbao and Mr. WANG Bangyi; and the independent non-executive directors are Mr. ZHENG Xueding, Mr. XU Jin and Mr. ZHANG Xianchu.*